

PRESIDENT: Very well, if the principals on this production will come forth, Senator Schmit, to discuss the amendment to the DeCamp amendment. Senator Schmit, you are recognized.

SENATOR SCHMIT: Mr. President and members of the Legislature, I guess it is with a little bit of trepidation that I rise to attempt to improve LB 835 in the manner in which I believe that hopefully you will find acceptable. And I have introduced an amendment to 835 in hopes that the citizens of this state will be able to at some point in time to reap the benefits of telephone deregulation, at the same time not exposing them to the risk which premature deregulation may bring. The important provisions of this amendment are contained in Section 16 through 20 of the amendment. These provisions allow the Public Service Commission to make a determination of whether a telecommunications company or a service which is offered by a telecommunications company is subject to effective competition. Effective competition means that a company's customers have reasonably available alternatives and that a company does not have a significant captive customer base. If the company or the service is deregulated by the Public Service Commission, then only a price list would have to be filed with the Public Service Commission. If the service or the company is not deregulated by the PSC, then the company must come before the PSC to justify any rate increase which it would seek just like under current law. This bill is in line with the recommendation of the study committee which looked at the issue of telecommunications deregulation during the last interim. I believe that this bill would protect the public interest while at the same time promoting competition within the state. In addition, the amendment addresses two major concerns raised by the industry with respect to LB 835, the time lag in making decisions on applications for rate increases, and the increased fiscal impact of the bill. First, we allow the telephone companies to implement 90 percent of their proposed rate increase one month and 30 days after the application is filed for an increase with the PSC. Current law makes them wait seven months and only allows 70 percent of the proposed increase. The consumer is, however, of course, protected by a refund provision if the PSC does not approve at least 90 percent of the proposed increase. Second, we know that there is a need for increased staff at the PSC to take care of the problems with the time lag and because of difficult decisions which must be made by the commission. I visited with a number of members of the commission and they have told me they have very excellent staff help with the Attorney General's Office. They are very pleased with that assistance.